

Bandhan Bank

Turbulent times ahead; stock 'Under Review'

CMP Rs 185	Target Price NM
Rating Under Review	Upside NM

- In a surprise move, Mr. Chandra Shekhar Ghosh has decided to step down from the position of MD & CEO of Bandhan Bank (BANDHAN) once his term ends on 9 Jul'24.
- During Nov'23 (Filing), the board had approved the reappointment of Mr. Ghosh as the bank's MD & CEO for another three years, starting 9 Jul'24. However, RBI approval was awaited for the same.
- Also, as indicated by Mr. Ghosh, he would no longer be a part of the bank's board post completion of his tenure. However, he would take a more strategic position at the Bandhan group level.
- While we do not tweak numbers, we put the stock Under Review (from LONG rating earlier) given uncertainties over the mid-term.

- We view Mr. Ghosh's decision to retire as surprising and critical, more so given its timing. In the backdrop of many top-level exits at the bank, this development raises two pertinent questions: (a) Who will take over charge now? (b) How will the bank contain attrition at the top level? We see clear answers emerging only after 5-6 months.
- It is unclear what prompted Mr. Ghosh's to change his decision over the last few months (Nov'23-Apr'24). RBI's communication on non-extension could be a possible reason but has been denied by Mr. Ghosh.
- Expected events that could play out for the bank:
 - Mr. Ghosh would continue to be the bank's MD & CEO until 9 Jul'24.
 - The bank would narrow down potential candidates to two in number – one each from internal to bank and external to bank.
 - The list of names of the two candidates would be sent to the RBI, from which the central bank would select one.
 - Post completion of Mr. Ghosh's tenure, an interim MD & CEO would need to take charge until the RBI appoints (provided RBI is comfortable to select from the two candidates) a new MD & CEO from the submitted list.
- In the recent past, we have seen such events unfolding at Yes Bank, RBL Bank, Ujjivan SFB, Spandana Sphoorty, Aavas Financiers, and Equitas SFB (reversed eventually). While some saw exits of founding members, others saw resignations of professionals who did not fit into the franchise culture. In all these situations, investor concerns prevailed not only until the new team was onboarded but also till the performance started to improve under the new leadership.
- We see limited downside given the current valuations and as most asset quality issues are already behind for BANDHAN. Further, the bank has been able attract proven talent pool in the last couple of years to drive the next leg of growth. That said, the stock could be sidelined till clarity on the new MD & CEO emerges. We remain watchful of the developments at BANDHAN and put the stock under review.

Financial Summary

YE Mar Rs mn	NII	PPOP	PAT	EPS (Rs)	ABVPS (Rs)	P/E (x)	P/ABV (x)	ROE (%)	RoA (%)	Credit cost (bps)
FY23A	92,596	70,913	21,946	13.6	114.0	13.6	0.0	11.9	1.5	422.5
FY24E	1,01,119	66,966	31,454	19.5	119.0	9.5	0.0	15.1	2.0	225.0
FY25E	1,25,210	95,736	49,655	30.8	155.3	6.0	0.0	20.4	2.7	225.0
FY26E	1,47,379	1,16,883	60,826	37.8	188.8	4.9	0.0	20.7	2.8	225.0

Source: Company, Equirus Research

Estimate Revision

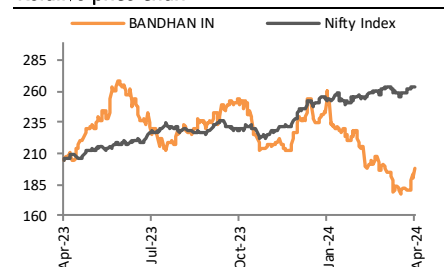
(Rs mn)	Forecasts		% Change	
	FY24E	FY25E	FY20E	FY21E
NII	1,01,119	1,25,210	NM	NM
PPOP	66,966	95,736	NM	NM
PAT	31,454	49,655	NM	NM
ABV	119.0	155.3	NM	NM

Stock Information

Market Cap (Rs Mn)	2,97,949
52 Wk H/L (Rs)	272/173
Avg Daily Volume (1yr)	1,25,01,050
Avg Daily Value (Rs Mn)	32.9
Equity Cap (Rs Mn)	1,95,842
Face Value (Rs)	10
Share Outstanding (Mn)	1,611.0
Bloomberg Code	BANDHAN IN
Ind Benchmark	BANKEX

Ownership (%)	Recent	3M	12M
Promoters	40.0	0.0	0.0
DII	14.8	(2.7)	2.6
FII	34.8	2.0	2.1
Public	10.4	0.7	(4.7)

Relative price chart



Source: Bloomberg

Analysts

Shreepal Doshi
shreepal.doshi@equirus.com
+91-079 6901 5024

Anuj Mohata
Anuj.Mohata@equirus.com
+91-079 6901 5023

Exhibit 1: Details of the key team members and their vintage at the bank – newly recruits are from proven franchises

Name	Role	Joining Date	Brief Background
Mr. Rajinder Kumar Babbar	ED & CBO (& KMP)	Mar'24	<ul style="list-style-type: none"> More than 25 years of experience Prior to joining Bandhan bank, he was Group Head - Transportation, Infrastructure and Tractor Finance Group at HDFC Bank
Mr. Ratan Kumar Kesh	Executive Director	Mar'23	<ul style="list-style-type: none"> More than 20 years of experience in the BFSI space Prior to joining Bandhan bank, he was handling the retail banking at operations at Axis Bank Previously he has worked with ICICI Bank, HDFC Bank, Yes Bank & Axis Bank.
Mr. Rajeev Mantri	CFO & KMP	Feb'24	<ul style="list-style-type: none"> More than 25 years of experience Prior to joining Bandhan bank, he was the CFO of Citi India Worked with Standard Chartered, CIBIL, Citi and Mashreqbank among others
Mr. Pinaki Halder	Chief Information Officer (CIO) of the Bank	Dec'23	<ul style="list-style-type: none"> He has more than 20 years of experience in the Banking and technology field Prior to joining Bandhan bank, he was associated with Axis Bank He has worked with Axis bank and CMC Limited in the past
Mr. Amitava Goswami	Chief Compliance Officer	Dec'15	<ul style="list-style-type: none"> Part of the bank since Dec'15 Prior to joining Bandhan, he was at leadership role for Retail Banking at Axis
Mr. Manoj Jumar Mauni	Chief Technology Office & Head Transformation	Jun'21	<ul style="list-style-type: none"> He has ~30 years of experience IT operations across banking, financial services and logistics space Prior to joining Bandhan, he was Executive VP - IT at Kotak Mahindra bank He has worked with SHCL, Maersk and Kotak bank
Mr. Biswajit Roy	Chief Risk Officer	Jan'16	<ul style="list-style-type: none"> Part of the bank since Jan'16 He has more than 30 years of experience in the BFSI space Prior to joining Bandhan bank, he was associated with ICICI bank. He was the head for the risk based supervision and regulatory reporting at the bank He has worked with PNB and ICICI bank in the past
Mr. Ravi Lahoti	Chief Audit Executive	Oct'19	<ul style="list-style-type: none"> Part of the bank since Oct'19 He has ~20 years of experience in the BFSI space Prior to joining Bandhan bank, he was associated with HDFC bank He has worked with Triumph Internation and HDFC bank in the past
Mr. P Ramaswamy	Chief of Internal Vigilance	Mar'21	<ul style="list-style-type: none"> Part of the bank since Mar'21. He has 30+ years of experience across risk, forensic frauds and marketing Prior to joining Bandhan bank, he was associated with Equitas SFB He has worked with ICICI bank, Samsung India, HDFC bank and Equitas SFB
Mr. Santosh G Nair	Head - Consumer Lending & Mortgages	Feb'24	<ul style="list-style-type: none"> ~30 years of experience Prior to joining the bank, he was CEO of HDFC Sales Private Limited Worked with Kotak Mahindra Primas, Citicorp Maruti Finance, Dewan Housing Finance and American Express Bank
Mr. Subhash Balkrishna Samant	Head - Housing Finance (High value home loans)	Oct'22	<ul style="list-style-type: none"> He 27+ years of experience in Retail Banking, Housing Finance, Construction Finance and distribution of third party products Prior to joining Bandhan, he was the head for the co-lending business for ICICI Bank He has worked with L&T Housing Finance, Manappuram Home Finance, DHFL and ICICI Bank
Mr. Hirak Sumatiprasad Joshi	Head - Retail Assets	Jun'22	<ul style="list-style-type: none"> He has ~30 years of experience in the BFSI space Prior to Bandhan bank, he was Business head for the vehicle finance segment at Ujjivan SFB He has worked with ICICI bank, Standard Chartered Bank, Credit Wise Capital and Ujjivan SFB among others
Mr. Vishal Wadhwa	Head - Emerging Entrepreneurs	Jun'23	<ul style="list-style-type: none"> He has more than 25 years of experience in the BFSI space Prior to Bandhan bank, he was Executive VP at Arohan Finance. He has worked with Fullerton India, Citi bank, TCS and Arohan Financial among others
Mr. Suresh Chandran	Head - Commercial Banking	Aug'22	<ul style="list-style-type: none"> He has more than ~30 years of experience in the BFSI space Prior to Bandhan bank, he was Unit Head and EVP Business Banking at Indusind Bank He has worked with HDFC bank, LIC Housing, Kotak bank and Indusind bank
Ms. Arpita Sen	Head - Financial Institution Group	Apr'06	<ul style="list-style-type: none"> Part of the bank since 2006
Mr. Partha Pratim Samanta	Head - Small Enterprise Business and Agri Loan	Jul'02	<ul style="list-style-type: none"> Part of the bank since 2002
Mr. Ravindra Baburaya Gadiyar	Head - Credit Underwriting	During FY23	<ul style="list-style-type: none"> He has ~25 years of experience in the credit underwriting Prior to joining Bandhan bank, he was associated with Axis bank
Mr. Nand Kumar Singh	Head Banking operations & Customer Service Collections PNO	Nov'14	<ul style="list-style-type: none"> Part of the bank since Nov'14 He has ~30 years of experience in the BFSI domain Prior to joining Bandhan bank, he has worked with Axis Bank and SBI
Mr. Sujoy Roy	Head Branch Banking	Dec'14	<ul style="list-style-type: none"> Part of the bank since Dec'14 He has ~25 years of experience in the BFSI domain Prior to joining Bandhan, he has worked with Axis Bank and SBT

Source: Company Data, Equirus

Exhibit 2: Details of Key personnel who left from the bank in the last 12 months

Name	Role	Joining Date	Exit date	Brief Background
Mr. Shantanu Sengupta	Head - Retail Banking	Sept'22	Mar'24	<ul style="list-style-type: none"> • More than 25 years of experience in the BFSI space • Joined bandhan bank as Head - Retail banking • Prior to Bandhan bank, he had worked with DBS, Royal bank of scotland, ABN Amro, Citi bank and BoFA • He has not taken up any assignment post the role at Bandhan bank.
Mr. Sudheer Reddy Govula	Chief Compliance Officer	Sept'21	Nov'23	<ul style="list-style-type: none"> • More than 25 years of experience in the BFSI space • Joined bandhan bank as Chief Compliance Officer • Prior to Bandhan bank, he had worked with HDFC Bank and State Bank of India • Post Bandhan Bank, he has joined Jio Financial services as Group Compliance Officer
Mr. Sunil Samdani	Chief Financial Officer	Mar'15	Oct'23	<ul style="list-style-type: none"> • Mr. Samdani had joined as Executive VP in the finance domain and went to become the CFO of the bank • Prior to bandhan bank, he was associated with Karvy, Development credit bank and Firstsources among others • He has joined Poonawalla Fincorp as Executive Director after leaving Bandhan Bank

Source: Company Data, Equirus

Call Takeaways

- BANDHAN has a good senior management team in place to take the next leap of growth. The team has been further strengthened by the appointment of:
 - Mr. Ratan Kumar Kesh (Executive director)
 - Mr. Rajinder Kumar Babbar (WTD)
 - Mr. Rajeev Mantri (CFO)
 - Mr. Santosh G Nair (Head - Consumer Lending & Mortgages)
- Mr. Chandra Shekhar Ghosh
 - He will assume a more strategic role at the Bandhan group
 - He will not hold any non-executive director position on the bank board
 - There has been no communication from the RBI regarding an application to renew his term.
 - Mr Ghosh will remain as MD & CEO till 9th July 2024.
- Timing of retirement
 - Mr. Ghosh's retirement announcement gives enough time to the board to appoint a successor; also, the new team will have a full financial year.
 - Last year, there were significant changes at BANDHAN
 - The decision to step down was driven by personal reasons.
- Why not before?
 - The bank received an in-principle approval for a universal banking licence in 2015 built a deposit franchise over the next three years.
 - Demonetization in FY17-FY18.
 - Acquired Gruh Finance in FY19-FY20.
 - COVID times & Assam fiasco during FY20-FY22
 - IT transformation in Oct'23
 - Team building during FY23-FY24.
 - Comfortable now that the team is well equipped for the next leg of growth
- NCGTC Audit will take another few months but there is no linkage of that with Mr. Ghosh's retirement.
- Time taken to appoint a new MD & CEO
 - Will take about three months to decide the list of candidature, followed by the time taken by RBI.
 - There can be an interim MD & CEO.
- Mr. Ghosh's family holds a <2% stake in the bank.

Company Snapshot

How we differ from consensus

Particular (Rs Mn)		Equirus	Consensus	% Diff	Comment
Total Income	FY24	1,57,471	1,24,461	23.1%	We expect the consensus to get revised.
	FY25	2,27,912	1,44,717	50.5%	
PAT	FY24	56,723	31,633	62.8%	
	FY25	1,01,192	39,697	134.0%	
BVPS	FY24	137	137	-1.4%	
	FY25	179	159	10.7%	

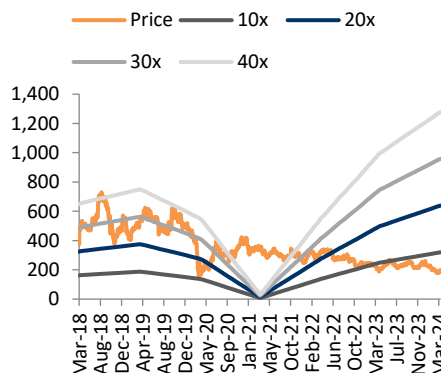
Key Estimates

Key Assumptions	FY21	FY22	FY23	FY24	FY25	FY26
NII (Rs Mn)	75,634	87,140	92,596	1,01,119	1,25,210	1,47,379
PPoP (Rs Mn)	67,687	80,134	70,913	66,966	95,736	1,16,883
PAT (Rs Mn)	22,055	1,287	21,946	31,454	49,655	60,826
Advances (Rs Mn)	8,16,129	9,39,749	10,47,568	11,69,636	14,43,458	17,22,670
Deposit (Rs Mn)	7,79,722	9,63,306	10,80,693	12,64,411	14,92,005	17,60,566
NII growth (%)	19.6%	15.2%	6.3%	9.2%	23.8%	17.7%
PPoP growth (%)	24.3%	18.4%	-11.5%	-5.6%	43.0%	22.1%
PAT growth (%)	-27.1%	-94.2%	1605.3%	43.3%	57.9%	22.5%
Advances growth	22.5%	15.1%	11.5%	11.7%	23.4%	19.3%
Deposit growth (%)	36.6%	23.5%	12.2%	17.0%	18.0%	18.0%
Credit Cost on Gross Loans (%)	4.8%	8.5%	4.0%	2.1%	2.1%	2.1%

Comparable valuation

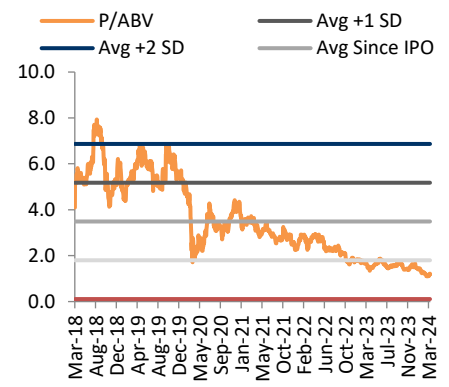
Banks/NBFCs	Reco.	CMP	Mcap	PT	Target Date	P/E			P/ABV			RoA			RoE		
						FY23A	FY24	FY25	FY23A	FY24	FY25	FY23A	FY24	FY25	FY23A	FY24	FY25
Large Pvt Banks																	
AXSB	LONG	1,076	3,269	1,280	Mar-25	34.6	14.0	12.6	2.8	2.3	2.0	0.8	1.7	1.7	8.0	17.3	16.3
BANDHAN	UNDER REVIEW	185	318	NM	NM	13.6	9.5	6.0	1.6	1.6	1.2	1.5	2.0	2.7	11.9	15.1	20.4
HDFCB	LONG	1,547	11,772	1,900	Mar-25	17.4	17.2	15.1	2.9	2.6	2.3	1.9	1.8	1.8	17.0	15.7	15.4
ICICIBC	LONG	1,087	7,608	1,285	Mar-25	21.0	17.3	15.9	3.7	3.1	2.6	2.1	2.3	2.1	17.2	18.0	16.9
IDFCFB	LONG	83	570	105	Mar-25	22.4	19.6	15.3	2.2	1.9	1.7	1.1	1.1	1.2	10.4	10.2	11.2
IIB	LONG	1,568	1,208	1,850	Mar-25	16.5	13.6	11.6	2.3	2.0	1.8	1.7	1.8	1.9	14.4	15.3	15.7
Mid-Pvt Banks																	
CUBK	ADD	155	117	150	Mar-25	12.2	11.2	10.9	1.8	1.6	1.4	1.5	1.5	1.4	13.4	12.9	11.9
DCBB	ADD	126	40	155	Mar-24	8.5	7.7	7.0	1.0	0.9	0.8	1.0	0.9	0.8	10.8	10.6	10.8
KVB	LONG	194	157	225	Mar-25	14.0	10.1	9.2	1.9	1.6	1.4	1.3	1.6	1.5	13.7	16.6	15.8
RBK	ADD	256	154	300	Mar-25	17.4	13.6	10.4	1.2	1.1	1.0	0.8	0.9	1.0	6.7	8.0	9.7
SIB	LONG	29	77	42	Mar-25	7.7	5.8	4.8	1.1	0.9	0.8	0.8	0.9	1.0	12.4	14.5	15.3
SOE Banks																	
SBIN	LONG	768	6,825	800	Mar-25	10.8	10.5	7.8	1.9	1.7	1.4	1.0	0.9	1.1	18.1	16.2	18.8
SFBs																	
AUBANK	ADD	634	471	755	Mar-25	29.6	28.1	22.3	3.9	3.6	3.2	1.8	1.6	1.6	15.4	13.5	14.9
EQUITASB	LONG	100	112	125	Mar-25	19.4	13.9	10.4	2.3	2.0	1.7	1.9	2.0	2.1	12.2	14.5	16.9
UJJIVANS	ADD	56	109	61	Mar-25	10.0	8.7	7.9	2.5	2.0	1.7	3.9	3.4	3.0	31.4	26.2	22.8
NBFC-HFCs																	
AAVAS	ADD	1,626	127	1,735	Sep-24	29.9	27.5	22.9	4.0	3.6	3.1	3.5	3.2	3.2	14.2	13.3	14.0
CANF	LONG	799	106	915	Mar-25	17.1	14.6	11.9	3.0	2.5	2.1	2.0	2.0	2.2	18.5	18.2	18.8
HOMEFIRST	LONG	951	85	1,175	Mar-25	36.7	28.2	23.3	4.8	4.2	3.6	3.9	3.8	3.5	13.5	15.2	16.0
NBFC-VF																	
CIFC	ADD	1,203	1,023	1,300	Mar-25	37.1	30.2	22.9	9.0	6.9	5.5	2.7	2.5	2.7	20.5	20.7	22.2
POONAWAL	ADD	489	385	390	Mar-25	69.2	18.9	34.2	5.9	4.6	4.2	3.8	9.4	3.9	9.6	27.1	12.6
SHFL	LONG	2,569	947	2,700	Sep-24	16.1	13.3	11.2	2.6	2.2	1.9	3.5	3.3	3.4	17.3	15.6	16.2
NBFC-MFIs																	
CREDAG	LONG	1,472	236	1,670	Sep-24	28.3	17.1	14.7	4.6	3.6	3.0	4.2	5.6	5.4	17.8	23.6	21.9
SPANDANA	LONG	903	64	1,150	Mar-25	517.0	12.7	9.6	2.1	1.8	1.5	0.2	4.6	4.7	0.4	15.1	16.9
Other NBFCs																	
MUTHOOT	LONG	1,674	664	1,725	Mar-25	19.3	16.7	14.5	3.6	3.1	2.7	4.9	5.2	5.2	17.6	17.9	17.9
MANAPPURAM	LONG	195	162	220	Mar-26	11.0	7.4	6.4	1.8	1.5	1.2	4.1	5.2	5.1	16.6	21.1	20.4
LTFH	LONG	169	423	151	Sep-24	25.8	19.9	18.0	2.1	1.9	1.8	1.5	2.1	2.3	7.8	9.4	9.6
PFC	ADD	410	1,375	520	Mar-25	9.3	8.7	7.5	2.1	1.9	1.7	2.8	2.6	2.7	18.2	17.3	17.9
REC	ADD	454	1,242	560	Sep-24	10.8	8.8	7.7	2.2	1.9	1.6	2.5	2.7	2.6	20.3	21.7	21.3
SBICARD	ADD	723	695	855	Mar-25	30.3	30.1	23.8	7.2	5.9	4.8	5.6	4.4	4.5	25.7	21.3	22.7

Price to earning chart



Source: Company, Equirus Research

Price to adjusted book chart



Source: Company, Equirus Research

Key Financials (Standalone)

Income Statement

Y/E Mar (Rs mn)	FY20A	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
Net interest income	63,239	75,634	87,140	92,596	1,01,119	1,25,210	1,47,379
Other income	14,352	17,131	25,901	23,970	22,127	33,559	40,117
Total income	78,731	95,856	1,15,368	1,17,282	1,23,246	1,58,770	1,87,496
Operating expenses	24,265	28,169	35,234	46,368	56,280	63,034	70,613
Employee Expenses	13,670	16,646	21,349	27,151	34,753	38,923	43,610
Other Operating Expenses	10,595	11,523	13,886	19,217	21,527	24,110	27,004
PPOP	54,466	67,687	80,134	70,913	66,966	95,736	1,16,883
Provisions	13,932	38,201	78,819	41,984	24,944	29,397	35,619
Tax	10,297	7,432	28	6,983	10,569	16,684	20,438
Net Profit	30,237	22,055	1,287	21,946	31,454	49,655	60,826

YoY Growth (%)	FY20A	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
NII	40.7	19.6	15.2	6.3	9.2	23.8	17.7
PPOP	45.3	24.3	18.4	(11.5)	(5.6)	43.0	22.1
PAT	55.0	(27.1)	(94.2)	1,605.3	43.3	57.9	22.5
Loans	68.1	22.5	15.1	11.5	11.7	23.4	19.3
Deposits	32.0	36.6	23.5	12.2	17.0	18.0	18.0
Total Assets	62.5	25.4	20.8	12.1	6.8	17.8	18.8

Key Ratios

Profitability (%)	FY20A	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
Avg. YoA (%)	17.9	14.7	13.9	13.9	16.8	16.7	16.1
Avg. cost of deposits (%)	6.6	5.9	5.0	5.3	6.4	6.2	6.2
NIM (%)	8.7	7.4	7.1	6.7	6.8	7.4	7.3
Cost/ Income (%)	30.8	29.4	30.5	39.5	45.7	39.7	37.7
Tax Rate (%)	25.4	25.2	2.2	24.1	25.2	25.2	25.2
CASA (%)	36.8	43.4	41.6	39.3	40.0	40.0	40.0
Credit/ deposit (%)	116.7	104.7	97.6	96.9	92.5	96.7	97.8
RWA/ Total assets	64.3	65.3	65.3	65.3	66.0	66.0	66.0

Assets Quality

GNPA (%)	1.4	6.4	6.2	4.7	6.2	2.5	2.4
NNPA (%)	0.4	3.2	1.5	1.1	2.3	1.0	0.9
PCR (%)	73.7	50.3	75.5	76.8	63.9	60.3	61.6
Slippages (%)	2.0	9.3	10.7	9.7	5.0	2.5	2.5
Total provision/ Avg. loans (%)	2.6	5.2	9.0	4.2	2.3	2.3	2.3

Capital Adequacy (%)

CRAR (%)	27.4	23.5	20.1	19.8	20.7	20.9	21.2
CET-1 (%)	25.2	22.5	18.9	18.7	0.0	0.0	0.0
Tier 1 (%)	25.2	22.5	18.9	18.7	19.7	20.1	20.5

CAGR (%)	1 year	2 years	3 years	5 years	7 years
NII	6.3	10.6	13.6	25.0	31.0
PPOP	(11.5)	2.4	9.2	23.9	34.4
PAT	1,605.3	(0.2)	(10.1)	10.3	21.9
BPS	12.7	6.1	8.8	9.1	21.9

Balance Sheet

Y/E Mar (Rs mn)	FY20A	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
Equity	16,102	16,106	16,108	16,108	16,108	16,108	16,108
Reserve and surplus	1,35,852	1,57,976	1,57,704	1,79,733	2,05,549	2,49,566	3,04,754
Deposits	5,70,815	7,79,722	9,63,306	10,80,693	12,64,411	14,92,005	17,60,566
Borrowings	1,63,792	1,69,604	1,99,212	2,47,108	1,35,910	1,56,296	1,95,370
Other liabilities	30,617	26,754	53,622	34,057	40,868	44,955	49,450
Total Liabilities	9,17,178	11,50,162	13,89,952	15,57,700	16,62,846	19,58,930	23,26,249
Cash and balance with RBI	63,449	33,354	49,426	73,266	49,011	49,449	58,678
Balance with banks/call money	20,080	28,929	43,788	9,231	21,005	24,725	29,339
Investments	1,53,518	2,51,554	2,90,787	3,23,659	2,80,064	3,29,660	3,91,187
Advances	6,66,300	8,16,129	9,39,749	10,47,568	11,69,636	14,43,458	17,22,670
Fixed & other assets	13,832	20,196	66,202	1,03,976	1,43,130	1,11,638	1,24,375
Total Assets	9,17,178	11,50,162	13,89,952	15,57,700	16,62,846	19,58,930	23,26,249

Per Share Data (Rs)	FY20A	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
EPS	18.8	13.7	0.8	13.6	19.5	30.8	37.8
BVPS	94.4	108.1	107.9	121.6	137.6	164.9	199.2
ABVPS	91.9	90.3	98.2	114.0	119.0	155.3	188.8
DPS	0.0	1.0	0.0	1.5	3.5	3.5	3.5

Valuation (x)	FY20A	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
P/E (x)	9.8	13.5	231.5	13.6	9.5	6.0	4.9
P/B (x)	2.0	1.7	1.7	1.5	1.3	1.1	0.9
P/ABV (x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0	0.5	0.0	0.8	1.9	1.9	1.9
RoA (%)	4.1	2.1	0.1	1.5	2.0	2.7	2.8
RoAE (%)	22.9	13.5	0.7	11.9	15.1	20.4	20.7
RoRWA (%)	6.2	3.3	0.2	2.3	3.0	4.2	4.3

RoA Decomposition	FY20A	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E
Interest income	14.7	12.1	10.9	10.8	11.5	12.0	11.9
Interest expenses	6.2	4.8	4.1	4.5	5.3	5.1	5.0
Net interest income	8.5	7.3	6.9	6.3	6.3	6.9	6.9
Treasury income	0.2	0.3	0.2	0.0	0.0	0.0	0.0
Other income from operations	1.9	1.7	2.0	1.6	1.4	1.9	1.9
Total income	10.6	9.3	9.1	8.0	7.7	8.8	8.8
Employee expenses	1.8	1.6	1.7	1.8	2.2	2.1	2.0
Other operating expenses	1.4	1.1	1.1	1.3	1.3	1.3	1.3
Total Operating expenses	3.3	2.7	2.8	3.1	3.5	3.5	3.3
Operating Profit	7.4	6.5	6.3	4.8	4.2	5.3	5.5
Loan Loss Provisions	1.9	3.7	6.2	2.8	1.5	1.6	1.7
Tax	1.4	0.7	0.0	0.5	0.7	0.9	1.0
Net Profit	4.1	2.1	0.1	1.5	2.0	2.7	2.8
Leverage Multiplier	5.6	6.3	7.3	8.0	7.7	7.4	7.3
ROE	22.9	13.5	0.7	11.9	15.1	20.4	20.7

Source: Company, Equirus Research



Rating & Coverage Definitions: Absolute Rating <ul style="list-style-type: none"> • LONG : Over the investment horizon, ATR >= Ke for companies with Free Float market cap >Rs 5 billion and ATR >= 20% for rest of the companies • ADD: ATR >= 5% but less than Ke over investment horizon • REDUCE: ATR >= negative 10% but <5% over investment horizon • SHORT: ATR < negative 10% over investment horizon Relative Rating <ul style="list-style-type: none"> • OVERWEIGHT: Likely to outperform the benchmark by at least 5% over investment horizon • BENCHMARK: likely to perform in line with the benchmark • UNDERWEIGHT: likely to under-perform the benchmark by at least 5% over investment horizon Investment Horizon Investment Horizon is set at a minimum 3 months to maximum 18 months with target date falling on last day of a calendar quarter	Registered Office: Equirus Securities Private Limited Unit No. A2102B, 21st Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai-400013. Tel. No: +91 - (0)22 - 4332 0600 Fax No: +91- (0)22 - 4332 0601 Corporate Office: 3rd floor, House No. 9, Magnet Corporate Park, Near Zydus Hospital, B/H Intas Sola Bridge, S.G. Highway Ahmedabad-380054 Gujarat Tel. No: +91 (0)79 - 6190 9550 Fax No: +91 (0)79 - 6190 9560
---	--

2023 Equirus Securities Private Limited. All rights reserved. For Private Circulation only. This report or any portion hereof may not be reprinted, sold or redistributed without the written consent of Equirus Securities Private Limited

Analyst Certification

I, Shreepal Doshi/Anuj Mohata, author to this report, hereby certify that all of the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Disclosures

Equirus Securities Private Limited (ESPL) having CIN: U65993MH2007PTC176044 is registered in India with Securities and Exchange Board of India (SEBI) as Research Analyst (Reg. No. INH0000001154), Stock Broker:(Reg. No. INZ000251536), RA: INH0000001154, DP: (Reg. No. IN-DP-324-2017) NSE Mem id: 13017|BSE Mem id: 3309|DP ID:84500| having its Registered office at A 2102 B, A wing, 21st Floor, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai-400013.. There are no disciplinary actions taken by any regulatory authority against ESPL for Research Analyst activity. ESPL is a subsidiary of Equirus Capital Private Limited (ECPL) which is registered with SEBI as Category I Merchant Banker and provides investment banking services including but not limited to merchant banking services, private equity, mergers & acquisitions and structured finance.

As ESPL and its associates are engaged in various financial services business, it might have: - (a) received compensation (except in connection with the preparation of this report) from the subject company for investment banking or merchant banking or brokerage services or any other product or services in the past twelve months;(b) managed or co-managed public offering of securities for the subject company in the past twelve months; or (c) received a mandate from the subject company; or (d) might have other financial, business or other interests in entities including the subject company (ies) mentioned in this Report. ESPL & its associates, their directors and employees may from time to time have positions or options in the company and buy or sell the securities of the company (ies) mentioned herein. ESPL and its associates collectively do not own (in their proprietary position) 1% or more of the equity securities of the subject company mentioned in the report as the last day of the month preceding the publication of the research report. ESPL or its Analyst or Associates did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ESPL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. ESPL has not been engaged in market making activity for the subject company.

The Research Analyst engaged in preparation of this Report:-

(a) has not received any compensation from the subject company in the past twelve months; (b) has not managed or co-managed public offering of securities for the subject company in the past twelve months; (c) has neither received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months nor received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) has not received any compensation or other benefits from the subject company or third party in connection with the research report; (e) might have served as an officer, director or employee of the subject company; (f) is not engaged in market making activity for the subject company.

This document is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ESPL and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession of this document are required to inform themselves of, and to observe, such applicable restrictions. Please delete this document if you are not authorized to view the same. By reading this document you represent and warrant that you have full authority and all rights necessary to view and read this document without subjecting ESPL and affiliates to any registration or licensing requirement within such jurisdiction.

This document has been prepared solely for information purpose and does not constitute a solicitation to any person to buy, sell or subscribe any security. ESPL or its affiliates are not soliciting any action based on this report. The information and opinions contained herein is from publicly available data or based on information obtained in good faith from sources believed to be reliable, but ESPL provides no guarantee as to its accuracy or completeness. The information contained herein is as on date of this report, and report and is subject to change or modification and any such changes could impact our interpretation of relevant information contained herein. While we would endeavour to update the information herein on reasonable basis, ESPL and its affiliates, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent ESPL and its group companies from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document including the merits and risks involved. This document is intended for general circulation and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. ESPL and its group companies, employees, directors and agents accept no liability, and disclaim all responsibility, for the consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it. ESPL/its affiliates do and seek to do business with companies covered in its research report. Thus, investors should be aware that the firm may have conflict of interest.

A graph of daily closing prices of securities is available at <http://www.nseindia.com/ChartApp/install/charts/mainpage.jsp> and www.bseindia.com (Choose a company from the list on the browser and select the "three years" period in the price chart).

Disclosure of Interest statement for the subject Company	Yes/No	If Yes, nature of such interest
Research Analyst' or Relatives' financial interest	No	
Research Analyst' or Relatives' actual/beneficial ownership of 1% or more	No	
Research Analyst' or Relatives' material conflict of interest	No	

Standard Warning: Investment in securities market are subject to market risks. Read all the related documents carefully before investing. | Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Compliance & Grievance Officer: Shital Tamrakar | Tel. No. 079-61909561 | email: Shital.tamrakar@equirus.com | www.equirus.com |